

The following Advisory Opinion is to advise the reader of the current position of the Kentucky Department of Insurance ("the Department") on the specified issue. The Advisory Opinion is not legally binding on either the Department or the reader.

Kentucky Department of Insurance

Advisory Opinion 99-07

In re: Dual Rates for Medicare Supplement policies

RELEVANT FACTS AND STATUTES: The Department has been considering whether a Medicare supplement policy with dual rating is permissible under the Kentucky Insurance Code. In particular, does 806 KAR 17:066 allow for a single policy with two rating methodologies: attained age and issue age?

DEPARTMENT'S POSITION: A Medicare supplement policy with both an attained age and issue age rating methodology is permissible under 806 KAR 17:066. Before any such policy or certificate may be offered, it must be filed with and approved by the Department. The policy form or certificate should be filed with the Health Insurance Policy and Managed Care Division. However, before any policy containing dual rates will be approved, the insurer must certify that its agents will carefully explain to the prospective consumer the difference between the two (2) rating schemes and its agents will present both the attained age and issue age options to each consumer prior to purchase.

Any questions may be directed to Shaun T. Orme, Counsel for the Department.

George Nichols III, Commissioner

Kentucky Department of Insurance

Date